

Mine Permit Number M/03/0080 Mine Name Ron Vincent
Operator Ron Vincent Date Sent / Received 5/26/200
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW NOI ☐ AMENDMENT
☐ OTHER _____

Description Record Number
☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

Bond Closure
Outgoing letter and MRRC included.

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 26, 2010

Larry Garahana
Salt Lake Field Office, Bureau of Land Management
2370 South 2300 West
Salt Lake City, Utah 84119

Subject: Concurrence with Release of Reclamation Surety, Ron Vincent and Gerald Madsen,
Ron Vincent Mine, S/003/0080, Box Elder County, Utah

Dear Mr. Garahana:

On April 6, 2010, the Division of Oil, Gas and Mining received from you a request from the operator for release of the surety for the referenced mine site. Division inspector Lynn Kunzler conducted an inspection on May 5, 2010, and based on this inspection, the Division concurs that the reclamation surety in the amount of \$8,200.00 can be fully released.

Please inform the Division when the surety is released. At that time, we will return the operator's reclamation contract.

If you have any questions or concerns regarding this action, please contact me at (801) 538-5261 or Lynn Kunzler at (801) 538-5310.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:lk:pb

cc: Opie_Abeyta@blm.gov

P:\GROUPS\MINERALS\WP\M003-BoxElder\S0030080-RonVincent\final\concur-3482-05242010.doc



Mine Permit Number 3/003/0080 Mine Name Ron Vincent Mine
Operator Ron Vincent Date Sent / Received 5/26/2010
TO _____ FROM _____

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW NOI ☐ AMENDMENT
☐ OTHER _____

Description

Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded

Reclamation Contract

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____

Mine Name: Ron Vincent Mine

Other Agency File Number:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Ron Vincent/Jerry Madsen** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S0030080** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling

ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation

obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Ron Vincent / Jerry Madsen
Operator Name

By Jerry Madsen
Authorized Officer (Typed or Printed)
partner
Authorized Officer - Position

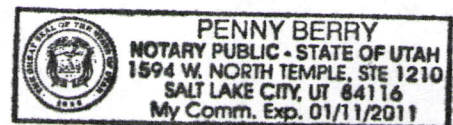
Jerry Madsen
Officer's Signature Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 13 day of January, 2009, Jerry Madsen
personally appeared before me, who being by me duly sworn did say that
he/she is an Partner (owner, officer, director, partner, agent
or other (specify)) of the Operator Ron Vincent / Jerry Madsen and duly
acknowledged that said instrument was signed on behalf of said Operator by
authority of its bylaws, a resolution of its board of directors or as may otherwise
be required to execute the same with full authority and to be bound hereby.

Penny Berry
Notary Public
Residing at Salt Lake

1/11/2011
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

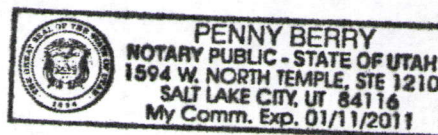
Date 1/21/09

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 21 day of January, 2009, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: Variscite

Mine Name: Ron Vincent Mine

Permit Number: S/003/0080

County: Box Elder County

Disturbed Acres: 2 Acres

Operator Name: Ron Vincent/Jerry Madsen

Operator address: P.O. Box 220504, Centerfield, UT 84622

Operator telephone: (435) 633-4156

Operator fax: unknown

Operator email: bst@airzip.net

Contact: Ron Vincent or Jerry Madsen

Surety Type: Cash

Held by (Bank/BLM): Surety held by BLM, SL Field Office

Surety Amount: \$10,200

Surety Account Number: NA

Escalation Year: 2011

Tax ID or Social Security (for cash only): NA

Surface owner: BLM

Mineral owner: BLM

UTU number:

ROUTING AND TRANSMITTAL SLIP

Date

TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
1.	UDOGM, ATTN: Penny Berry (w/encl.) 1594 W. North Temple, Suite 1210 Salt Lake City, UT 84114		
2.			
3.			
4.			
5.			

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
	Phone No.

5041-102

☆ U.S.G.P.O. 1992 312-070/60010

OPTIONAL FORM 41 (Rev. 7-76)

Prescribed by GSA

FPMR (41 CFR) 101-11.206



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO:
3809
(UT-923-OA)
UTU-77838

January 14, 2009

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Operator/Principal:	:	3809 Notice No.:	UTU-77838
Ron Vincent	:	Bond Amount:	\$10,200.00
P.O. Box 220504	:		
Centerfield, UT 84622	:		
	:		
Gerald L. Madsen	:		
P.O. Box 220289	:		
Centerfield, UT 84622	:		

Financial Guarantee Accepted

On January 13, 2009, this office received a Surface Management Personal Bond contract and a \$10,200 check (cash bond) to secure a bond for plan UTU-77838. The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of January 13, 2009.

The bond covers operations conducted by or on behalf of the obligor/operator on the above-mentioned notice. Enclosed is a copy of the bond contract and accounting receipt for your records.

The funds will be retained in a suspense account until all terms and conditions of the notice/plan have been fulfilled or until satisfactory replacement bond coverage has been accepted, at which time this office will authorize a refund of the cash deposit.

If you have any questions concerning the bond, please contact Opie Abeyta at (801) 539-4123.

/s/J D McKenzie

J. D. McKenzie
Acting Chief, Branch of Solid Minerals

1 Enclosure
1. Receipt

cc: Larry Garahana, Salt Lake F.O. (UT-020),
UDOGM, ATTN: Penny Berry (w/encl.)
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114

RECEIVED

JAN 20 2009

DIV. OF OIL, GAS & MINING

United States Department of the Interior
Bureau of Land Management
DIV OF LANDS & MINERALS
PO BOX 45155 ATTN:ACCOUNTS
SALT LAKE CITY, UT 84145 -0155
Phone: (801) 539-4006

Receipt

No:

1853871

Transaction #: 1914077

Date of Transaction: 01/13/2009

CUSTOMER: RON VINCENT
PO BOX 220289
CENTERFIELD, UT 84622-0289 US

LINE #	QTY	DESCRIPTION	REMARKS	UNIT PRICE	TOTAL
1	1.00	LOCATABLE MINERALS / 3809/3802 SURFACE MGT BONDS / CASH BOND FILED CASES: UTU 077838/\$10200.00		- n/a -	10200.00
TOTAL:					\$10,200.00

PAYMENT INFORMATION

1	AMOUNT:	10200.00	POSTMARKED:	N/A
	TYPE:	CHECK	RECEIVED:	01/13/2009
	CHECK NO:	0351103414		
	NAME:	VINCENT, RON PO BOX 220289 CENTERFIELD UT 84622-0289 US		

REMARKS

This receipt was generated by the automated BLM Collections and Billing System and is a paper representation of a portion of the official electronic record contained therein.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

UTAH STATE OFFICE
RECEIVED
ACCOUNTS UNIT

SURFACE MANAGEMENT PERSONAL BOND

Act of May 10, 1872, as amended (30 U.S.C. 22-54)
Act of December 29, 1916, as amended (39 Stat. 862)
Act of October 21, 1976, as amended (43 U.S.C. 1732-35, 1782)
Act of September, 13, 1982 (31 U.S.C. 9301 et seq.)
Act of September 27, 1988 (102 Stat. 1776)
Act of April 16, 1993 (43 U.S.C. 299)

2009 JAN 13 AM 10:32

FORM APPROVED
OMB NO. 1004-0194
Expires: January 31, 2007

DEPT OF INTERIOR
BUREAU OF LAND MGMT

Individual UTU 77838; or Statewide _____; or Nationwide _____
(Enter BLM Serial No.) (Enter Name of State, if applicable) ("Yes," if applicable)

KNOW ALL MEN BY THESE PRESENTS, THAT Ron Vincent and Gerald L. Madsen
of PO Box 220289, Centerfield, UT 84622
(name) (address)
and State of Utah, Division of Oil, Gas, and Mining (OGM)
as principal; is held firmly bound unto the United States of America in the sum of _____

Ten thousand Two Hundred and no cents U. S. dollars (\$10,200⁰⁰).
lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash, letters of credit, savings accounts, certificates of deposit, or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond, the plan of operations/notice, must be paid to the principal. The principal hereby, for any heirs, executors, administrators, successors, and assignees, jointly and severally, ratifies and confirms whatever the Secretary will do by virtue of these presents.

The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations and/or reclamation on the mining claim(s), mill site(s), tunnel site(s) or public lands under the Acts cited in this bond; and
2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or received approval from the BLM of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions; and
3. WHEREAS, the principal hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
 - a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations/notice further agrees to remain bound under this bond as to the interests in the plan of operations/notice retained by the principal; and
 - b. Any modification of the plan of operations/notice or obligations thereunder; and
4. WHEREAS, the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations/notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations/notice, and obligations covered by this bond; and
5. WHEREAS, the principal agrees that in the event of any default under the plan of operations/notice and/or reclamation plan the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the principal without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations/notice; and
6. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

BOND CONDITIONS (Continued)

7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the notice or approved the plan of operations referenced herein.
8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations/notice referenced herein, any amendments thereto, and the regulations at 43 CFR 3802 or 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

Executed this 13th day of January, 2009:

State of Utah

Principal Ron Vincent & Gerald L. Madsen

County of Salt Lake

By Gerald L. Madsen
(Print name)

Subscribed and sworn to before me this 13th day
of January, 2009

Signature Gerald L. Madsen

Title Operator

Connie Mountain
(Notary Public)

Business Address 170 E Center st.
Centerfield UT 84622

March 14, 2009
(Date Commission Expires)



(TIN or SSN No., if applicable)

U.I.A.H. STATE OFFICE
RECEIVED
ACCOUNTS UNIT
2009 JAN 13 AM 10:32
DEPT OF INTERIOR
BUREAU OF LAND MANAGEMENT

If this bond is executed by a corporation, it should bear the seal of the corporation, if applicable

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Washington, D.C. 20240.

UTAH STATE OFFICE
RECEIVED
ACCOUNTS UNIT

2009 JAN 13 AM 10:32

CASHIER'S CHECK
DEPT OF INTERIOR
BUR OF LAND MGMT

SERIAL #: 0351103414

ACCOUNT#: 4861-505600

January 13, 2009

03511 11-24
Office AU # 1210(8)

Purchaser: GERALD MADSEN
Purchaser Account: 3498332067
Operator I.D.: utah1417

PAY TO THE ORDER OF ***B.L.M***

Ten thousand two hundred dollars and no cents

- COPY -
NOT NEGOTIABLE

\$10,200.00

WELLS FARGO BANK, N.A.
1710 S REDWOOD DR
SALT LAKE CITY, UT 84104
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US \$ 10,200.00

NON-NEGOTIABLE

Purchaser Copy

FB004 M4203 08294643

PRINTED ON LINEMARK PAPER - HOLD TO LIGHT TO VIEW. FOR ADDITIONAL SECURITY FEATURES SEE BACK.

03511 11-24
Office AU # 1210(8)

CASHIER'S CHECK

0351103414

Operator I.D.: utah1417

PAY TO THE ORDER OF ***B.L.M***

- COPY -
NOT NEGOTIABLE

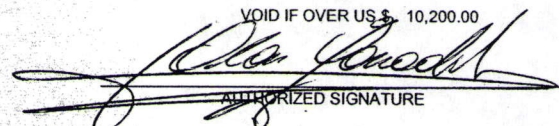
January 13, 2009

Ten thousand two hundred dollars and no cents

\$10,200.00

WELLS FARGO BANK, N.A.
1710 S REDWOOD DR
SALT LAKE CITY, UT 84104
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 10,200.00


AUTHORIZED SIGNATURE

Security Features Included. Details on Back.

03511 11-24
Office AU # 1210(8)

OFFICIAL CHECK

SERIAL #: 0351108395
ACCOUNT#: 4861-505626

Purchaser: GERALD MADSEN
Purchaser Account: 3498332067
Operator I.D.: utah1417

PAY TO THE ORDER OF ***DOGM***

One hundred fifty dollars and no cents

WELLS FARGO & COMPANY ISSUER
420 MONTGOMERY STREET
SAN FRANCISCO, CA 94163
PAYABLE AT WELLS FARGO BANK, N.A.
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER—IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO & COMPANY MAY IMPOSE A
FEE AND REQUIRE AN INDEMNITY AGREEMENT AND BOND.

RECEIVED

JAN 13 2009

DIV. OF OIL, GAS & MINING

January 13, 2009

***\$150.00**

VOID IF OVER US \$ 150.00

NON-NEGOTIABLE

Purchaser Copy

FB004 M4203 08294643

PRINTED ON LINEMARK PAPER - HOLD TO LIGHT TO VIEW. FOR ADDITIONAL SECURITY FEATURES SEE BACK.

03511 11-24
Office AU # 1210(8)

OFFICIAL CHECK

0351108395

Operator I.D.: utah1417

PAY TO THE ORDER OF ***DOGM***

One hundred fifty dollars and no cents

WELLS FARGO & COMPANY ISSUER
420 MONTGOMERY STREET
SAN FRANCISCO, CA 94163
PAYABLE AT WELLS FARGO BANK, N.A.
FOR INQUIRIES CALL (480) 394-3122

ORIGINAL CHECK
ROUTED TO ACCOUNTING

January 13, 2009

***\$150.00**

VOID IF OVER US \$ 150.00

Richard Levy
CONTROLLER

RECEIVED

JAN 13 2009

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT PERSONAL BOND

Act of May 10, 1872, as amended (30 U.S.C. 22-54)
Act of December 29, 1916, as amended (39 Stat. 862)
Act of October 21, 1976, as amended (43 U.S.C. 1732-35, 1782)
Act of September 13, 1982 (31 U.S.C. 9301 et seq.)
Act of September 27, 1988 (102 Stat. 1776)
Act of April 16, 1993 (43 U.S.C. 299)

FORM APPROVED
OMB NO. 1004-0194
Expires: January 31, 2007

Individual UTU 77838 ; or Statewide _____ ; or Nationwide _____
(Enter BLM Serial No.) (Enter Name of State, if applicable) ("Yes," if applicable)

KNOW ALL MEN BY THESE PRESENTS, THAT Ron Vincent and Gerald L. Madsen
of PO Box 220289, Centerfield, UT 84622
and State of Utah, Division of Oil, Gas, and Mining (OGM)
as principal; is held firmly bound unto the United States of America in the sum of _____

Ten thousand Two Hundred and no cents U. S. dollars (\$10200⁰⁰).
lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash, letters of credit, savings accounts, certificates of deposit, or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond, the plan of operations/notice, must be paid to the principal. The principal hereby, for any heirs, executors, administrators, successors, and assignees, jointly and severally, ratifies and confirms whatever the Secretary will do by virtue of these presents.

The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations and/or reclamation on the mining claim(s), mill site(s), tunnel site(s) or public lands under the Acts cited in this bond; and
2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or received approval from the BLM of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions; and
3. WHEREAS, the principal hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
 - a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations/notice further agrees to remain bound under this bond as to the interests in the plan of operations/notice retained by the principal; and
 - b. Any modification of the plan of operations/notice or obligations thereunder; and
4. WHEREAS, the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations/notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations/notice, and obligations covered by this bond; and
5. WHEREAS, the principal agrees that in the event of any default under the plan of operations/notice and/or reclamation plan the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the principal without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations/notice; and
6. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

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lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

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The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

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DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:
3809
(UT-923-OA)
UTU-77838

September 3, 2009

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Operator/Principal:	:	3809 Notice Serial No.:	UTU-77838
Ron Vincent	:		
P.O. Box 220504	:	BLM Bond No.:	UTB000347
Centerfield, UT 84622	:		
	:	BLM Receipt Nos.:	1853871
Gerald L. Madsen	:		
P.O. Box 220289	:	Cash Bond Amount:	\$10,200.00
Centerfield, UT 84622	:		

Obligation Under Bond Reduced Partial Cash Bond Released

Effective January 13, 2009, this office accepted a personal bond from Ron Vincent and Gerald L. Madsen to cover operations under 3809 notice UTU-77838. The bond was secured by a cash bond in the amount of \$10,200.

The Salt Lake Field Office has notified this office that a request for partial release of the reclamation surety was received by their office. On May 19, 2009, the Salt Lake Field Office approved the partial release of \$2,000 of the \$10,200. By letter dated September 2, 2009, the State of Utah Division of Oil, Gas, and Mining approved the partial release of the financial guarantee.

Therefore, this Decision reduces the amount obligated under the bond referenced above to \$8,200. This bond will be retained by BLM under receipt No. 1853871.

A refund of the \$2,000 cash deposit has been authorized and the Government check is forthcoming. The refund will be issued to Ron Vincent.

If you have any questions, please contact Opie Abeyta at (801) 539-4123.

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

cc: Larry Garahana, Salt Lake F.O. (UTW010)
UDOGM (S/003/0080)
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114

From: Paul Baker
To: Kunzler, Lynn
CC: Berry, Penny
Date: 7/23/2009 1:43 PM
Subject: Fwd: Re: Partial release of 77838, S/003/0080
Attachments: Release Letter 051909.pdf

I don't know about this project. There's a surety task from January but not a release request. Could you please follow through to get the BLM what they need. Thank you.

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940

>>> <Opie_Abeyta@blm.gov> 7/23/2009 12:11 PM >>>
Now I need the UDOGM letter approving the partial release.

Opie Abeyta
Land Law Examiner, Mining Law Team
Solid Minerals Branch, Lands and Minerals Division,
Utah State Office, BLM (UT-923)

(801)539-4123
440 W. 200 S., Ste. 500
PO Box 45155
Salt Lake City, UT 84145-0155

Larry
Garahana/SLFO/UT/
BLM/DOI

07/23/2009 09:24
AM

To
Opie Abeyta/UTSO/UT/BLM/DOI@BLM,
"Leslie Heppler"
<leslieheppler@utah.gov>,
lynnkunzler@utah.gov

cc

Subject
Partial release of 77838,
S/003/0080

Hello - I'm not sure, but I don't think you received this letter. Vincent contacted me in May and asked if we could release \$2,000.00 of the \$10,000.00 we're holding. He recently contacted me again and asked what the status of the release was and after talking with Opie, she hasn't seen the letter so I figured the cc's didn't get out for some reason. Our number is U-77838 and your (DOGM) number is S/003/0080. Thanks

(See attached file: Release Letter 051909.pdf)

Larry Garahana
Geologist
BLM, Salt Lake Field Office
801-977-4371 w
801-824-1519 c
Larry_Garahana@blm.gov



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397
www.ut.blm.gov/saltlake_fo

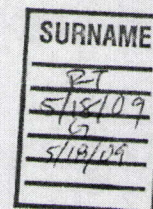


IN REPLY REFER TO:

3809
U-77838
UTW011

MAY 19 2009

file



Mr. Ron Vincent
P.O. Box 220504
Centerfield, Utah 84622

Dear Mr. Vincent:

On May 1, 2009, the Bureau of Land Management (BLM) Salt Lake Field Office received your request for the partial release of your reclamation sureties for your Exploration Notice serialized 77838.

This letter is to inform you that with concurrence from the Utah Division of Oil, Gas and Mining (UDOGM), the BLM will release \$2,000.00 of the \$10,000.00 (20%) held for reclamation of your exploration project.

The remaining amounts will be retained by BLM while your exploration notice remains active.

If you have any questions, or require additional information, please contact Larry Garahana of my staff at (801) 977-4371.

Sincerely,

/S/ MICHAEL G. NELSON

Michael G. Nelson
Assistant Field Manager,
Nonrenewable Resources

cc: Leslie Heppler, UDOGM
Opie Abeyta USO (923)

From: Paul Baker
To: Berry, Penny; Kunzler, Lynn
Date: 1/15/2009 12:21 PM
Subject: Re: Fact Sheet and Draft Approval Letter (S/003/0080)

The only task that shows up under this mine number is 2240 which the MTS says was completed last May. We sent a deficiency letter last May, but there's nothing in the incoming folder. Did we receive something that should have been scanned and should have received a task number?

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940

>>> Lynn Kunzler 1/14/2009 9:35 PM >>>
The Fact Sheet is in the 'Bond' Folder for the mine (0 drive)

The draft approval letter is in the 'Draft' folder. This needs the Task # added (I cannot access MTS from home) and it also needs the file name and path added to the bottom. Assuming John signs the reclamation contract, please finalize the letter. (maybe Paul could get someone to pull the plan from the PIC and stamp it approved).

Thanks much for your efforts. Lynn.

UTAH STATE OFFICE
RECEIVED
ACCOUNTS UNIT

2009 JAN 13 AM 10:32

CASHIER'S CHECK

DEPT OF INTERIOR
BUR OF LAND MGMT

SERIAL #: 0351103414

ACCOUNT#: 4861-505600

January 13, 2009

03511 11-24
Office AU # 1210(8)

Purchaser: GERALD MADSEN
Purchaser Account: 3498332067
Operator I.D.: utah1417

PAY TO THE ORDER OF ***B.L.M***

Ten thousand two hundred dollars and no cents

\$10,200.00

WELLS FARGO BANK, N.A.
1710 S REDWOOD DR
SALT LAKE CITY, UT 84104
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US \$ 10,200.00

NON-NEGOTIABLE

Purchaser Copy

FB004 M4203 08294643

PRINTED ON LINEMARK PAPER - HOLD TO LIGHT TO VIEW. FOR ADDITIONAL SECURITY FEATURES SEE BACK.

03511 11-24
Office AU # 1210(8)

CASHIER'S CHECK

0351103414

Operator I.D.: utah1417

January 13, 2009

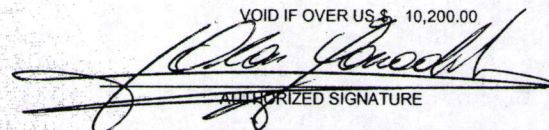
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AUTHORIZED SIGNATURE

Security Features Included. Details on Back.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT PERSONAL BOND

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and State of ^(name) Utah, Division of Oil, Gas, and Mining (OGM)
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2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or received approval from the BLM of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions; and
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6. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

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(Continued on page 2)

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JAN 13 2009

DIV. OF OIL, GAS & MINING

COPY

BOND CONDITIONS (Continued)

7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the notice or approved the plan of operations referenced herein.
8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations/notice referenced herein, any amendments thereto, and the regulations at 43 CFR 3802 or 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

Executed this 13th day of January, 20 09:

State of Utah

County of Salt Lake

Subscribed and sworn to before me this 13th day
of January, 20 09

Connie Mountain
(Notary Public)

March 14, 2009
(Date Commission Expires)



NOTARY PUBLIC
CONNIE MOUNTAIN
440 West 200 South, Ste. 500
Salt Lake City, Utah 84101
My Commission Expires
March 14, 2009
STATE OF UTAH

(TIN or SSN No., if applicable)

Principal Ron Vincent & Gerald L. Madsen

By Gerald L. Madsen
(Print name)

Signature Gerald L. Madsen

Title Operator

Business Address 170 E Center St.
Centerfield UT 84622

If this bond is executed by a corporation, it should bear the seal of the corporation, if applicable.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Washington, D.C. 20240.

COPY

(Form 3809-2, page 2)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Ron Vincent/Jerry Madsen** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S0030080** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling

ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation

obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

Ron Vincent / Jerry Madsen
Operator Name

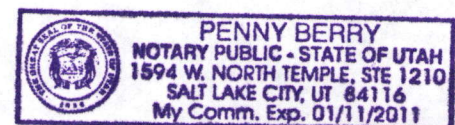
By Jerry Madsen
Authorized Officer (Typed or Printed)
Partner
Authorized Officer - Position

Jerry Madsen
Officer's Signature Date

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 13 day of January, 2009, Jerry Madsen
personally appeared before me, who being by me duly sworn did say that
he/she is an Partner (owner, officer, director, partner, agent
or other (specify)) of the Operator Ron Vincent / Jerry Madsen and duly
acknowledged that said instrument was signed on behalf of said Operator by
authority of its bylaws, a resolution of its board of directors or as may otherwise
be required to execute the same with full authority and to be bound hereby.

Penny Berry
Notary Public
Residing at Salt Lake
1/11/2011
My Commission Expires:



My Comm. Exp. 01/1/2018
SALT LAKE CITY, UT 84119
1806 W. NORTH TEMPLE, STE 1210
MOTARY PUBLIC - STATE OF UTAH
PENNIE BERRY



DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

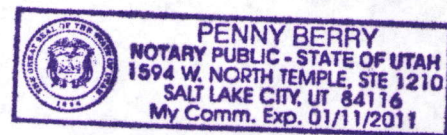
Date 1/21/09

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 21 day of January, 2009, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



1/2/04

John R. Berry

My Comm. Exp. 01/01/2011
SALT LAKE CITY UT 84116
1894 W NORTH TEMPLE, STE 1210
NOTARY PUBLIC - STATE OF UTAH
PENNY BERRY



FACT SHEET

Commodity: Variscite

Mine Name: Ron Vincent Mine

Permit Number: S/003/0080

County: Box Elder County

Disturbed Acres: 2 Acres

Operator Name: Ron Vincent/Jerry Madsen

Operator address: P.O. Box 220504, Centerfield, UT 84622

Operator telephone: (435) 633-4156

Operator fax: unknown

Operator email: bst@airzip.net

Contact: Ron Vincent or Jerry Madsen

Surety Type: Cash

Held by (Bank/BLM): Surety held by BLM, SL Field Office

Surety Amount: \$10,200

Surety Account Number: NA

Escalation Year: 2011

Tax ID or Social Security (for cash only): NA

Surface owner: BLM

Mineral owner: BLM

UTU number: